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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/636,125	08/07/2003	Robert B. Phelps	S-816	1568
2071 7590 04/08/2008 McGLINCHEY STAFFORD, PLLC 4703 BLUEBONNET BLVD BATON ROUGE, LA 70809				
EXAMINER				
FRENEL, VANEL				
ART UNIT		PAPER NUMBER		
3687				
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04/08/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/636,125

**Applicant(s)**

PHELPS, ROBERT B.

**Examiner**

VANEL FRENEL

**Art Unit**

3687

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 29 February 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-4 and 23-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-4, 23-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/5508)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 02/29/08 has been entered.

### **Notice to Applicant**

2. This communication is in response to the RCE filed on 2/29/08. Claims 5-21 have been cancelled. Claims 1-4 and 23-26 have been amended. Claims 1-4 and 23-26 are pending.

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-4 and 23-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Halley et al (4,969,094) in view of Banks (2003/0018498) and further in view of Koresko, V (2006/0080148).

(A) As per claim 1, Halley discloses a method which comprises the step of: investing at least a portion of one or more assets of a pension plan so as to acquire an ownership interest in a selected set of current, in-force life settlement contracts sold by by owners of the current, in-force life settlement contracts, wherein each of the set of current, in-force life settlement contracts contracts is characterized in that it either (a) provides a plurality of periodic payments during the life of an insured or (b) provides a single death benefit on the life of an insured, and is selected so that the insured is not a beneficiary of the pension plan (Col.2, lines 45-68 to Col.3, line 15), and is selected so that the remaining life expectancy of the insured is within a predetermined limit (See Col.2, lines 45-68 to Col.3, line 15).

Halley does not explicitly disclose that the method having calculating by the pension plan or having calculated, by means of an apparatus, a total value of the pension plan assets inclusive of the interest in the selected set of current, in-force life settlement contracts so acquired, to thereby convert a value of the assets of the pension plan used to acquire the interest in the selected set of current, in-force life settlement contracts into an actuarial present value of the interest in the selected set of current, in-force life settlement contracts.

However, this feature is known in the art, as evidenced by Banks. In particular, Banks suggests calculating by the pension plan or having calculated, by means of an apparatus, a total value of the pension plan assets inclusive of the interest in the selected set of current, in-force life settlement contracts so acquired, to thereby convert a value of the assets of the pension plan used to acquire the interest in the selected set

of current, in-force life settlement contracts into an actuarial present value of the interest in the selected set of current, in-force life settlement contracts. (See Banks, Page 2, Paragraph 0021; Page 4, Paragraph 0034; Page 5, Paragraphs 0042-0043).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Banks within the system of Halley with the motivation of providing employer, employees, plan actuary, investment manager, etc., with valuable information regarding the financial status of the plan (See Banks, Page 3, Paragraph 0024).

Halley and Banks disclose all the limitations above. The combination does not explicitly disclose maintaining by the pension plan or having maintained the enforceability of the selected set of current, in-force life settlement contracts and processing or having processed death benefits arising from the life settlement contracts.

However, this feature is known in the art, as evidenced by Koresko. In particular, Banks suggests Koresko suggests maintaining by the pension plan or having maintained the enforceability of the selected set of current, in-force life settlement contracts and processing or having processed death benefits arising from the life settlement contracts (See Koresko, Page 6, Paragraphs 0088-0091; Page 7, Paragraphs 0108-0113).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Koresko within the collective teachings of Banks and Halley with the motivation of creating a defined benefit pension plan funded using at

least one of life insurance contracts and annuity contracts (See Koresko, Page 2, Paragraph 0020).

(B) As per claim 2, Banks discloses a method wherein each of the one or more life settlement contracts is characterized in that it provides a single death benefit on the life of an insured (See Banks, Page 2, Paragraph 0021).

(C) As per claim 3, Banks discloses a method wherein the remaining life expectancy of the insured under the life settlement contracts is no more than 20 years (Page 6, Paragraph 0047).

(D) As per claim 4, Banks discloses a method wherein the remaining life expectancy of the insured under the life settlement contracts is no more than 15 years (Page 6, Paragraph 0047).

(E) As per claim 23, Koresko discloses the method wherein the investing step comprises in an ownership in a pool of current, in-force life settlement contracts (Page 6, Paragraphs 0088-0091; Page 7, Paragraphs 0108-0113).

(F) As per claim 24, Koresko discloses the method wherein the pool of current, in-force life settlement contracts are life settlement contracts obtained and made available for acquisition by a third party and wherein the third party maintains or has maintained

the enforceability of the selected set of current, in force life settlement contracts and processes or has processed death benefits arising from the life settlement contracts (See Koresko, Page 6, Paragraphs 0088-0091; Page 7, Paragraphs 0108-0113).

(G) As per claim 25, Koresko discloses the method comprising: setting a selection criterion for the selected set of current, in-force life settlement contracts that there will be no relative concentration of dollar value amount attributable to a single insurer or carrier (See Koresko, Page 10, Paragraphs 0142-0146).

(H) As per claim 26, Koresko discloses the method further comprising: administering the pension plan on an approximately regular basis to perform the investing and calculating steps to thereby reduce an unfunded actuarial accrued liability (UAL) and/or reduce any corresponding UAL amortization (See Koresko, Page 7, Paragraphs 0092-0093).

### ***Response to Arguments***

5. Applicant's arguments filed on 2/29/08 with respect to claims 1-4 and 23-26 have been fully considered but they are not persuasive.

(A) At pages 4-9 of the 4/13/07 response, Applicant argues that the features in the 2/29/08 amendment are not taught or suggested by the applied references.

In response, all of the limitations which Applicant disputes as missing in the applied references, including the features newly added in the 2/29/08 amendment, have

been fully addressed by the Examiner as either being fully disclosed or obvious in view of the teachings of Halley, Banks and/or Koresko based on the logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the present Office Action and in the prior Office Action, and incorporated herein. One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In addition, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

### **Conclusion**

6 The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not the applied art teaches system and method for implementing and administering lender-owned credit life insurance policies (5,907,828).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Vanel Frenel whose telephone number is 571-272-6769. The examiner can normally be reached on 6:30am-5:00pm.



If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Matthew S. Gart can be reached on 571-272-3955. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Vanel Frenel/

Examiner, Art Unit 3687

March 31, 2008